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# How to Profit

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LUSTRE FOR LIFE



From far left: the Damask suite at the Cotton House, Barcelona, part of Marriott's Autograph Collection. The hotel's characterful Batuar bar; the library, which serves traditional English afternoon teas; and the grand staircase



# independence stay

While the past 12 months have seen myriad mergers of hotel groups, a counter movement within them has seen the emergence of boutique collections that evoke the soul and idiosyncratic charm of iconic independent hotels. Can they create the singular experience discerning travellers are seeking? **Maria Shollenbarger** reports





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ast September, Marriott International – the hospitality conglomerate including 17 hotel brands across the mid- and luxury-level spectrum – completed its acquisition of Starwood Hotels & Resorts Worldwide, at a price reported by the FT to be in the neighbourhood of \$13.6bn. The merger brought more than 30 brands under the aegis

of a single parent company, which now operates or franchises a staggering 1m-plus hotel rooms at more than 6,000 hotels and resorts across the world. Today you can travel as far afield as Kruger National Park or Belgrade, Paracas in Peru or Tlemcen, Algeria, and you'll find some permutation of the Marriott/Starwood flag flying.

A couple of months before that, in July, AccorHotels, the French multibrand whose stable includes Sofitel, Novotel and Pullman, finalised the \$2.9bn acquisition of Fairmont Raffles Hotels International, thereby adding 155 mostly luxury properties (40 of them under development) – including icons such as the Grand Hotel d'Angkor in Siem Reap and The Savoy in London – to its 4,100-strong portfolio of hotels in 95 countries.

Big-ticket hospitality-sector acquisitions are not in themselves a new occurrence; witness the Blackstone Group's \$26bn leveraged buyout of Hilton in 2007, which it successfully proceeded to take public in 2013 (and for which it has just negotiated a 25 per cent stake sale worth about \$6.5bn to HNA Group, the Chinese hospitality-aviation-finance conglomerate that already owns Carlson Hotels Inc, the parent company of Radisson – with which it may or may not eventually propose to merge Hilton). But 2016 appears to have been a banner year for







From top: individualistic touches abound at Hôtel Vagabond in Singapore. The Admiral suite at Autograph's Pier One Sydney Harbour is arguably the best room in the city

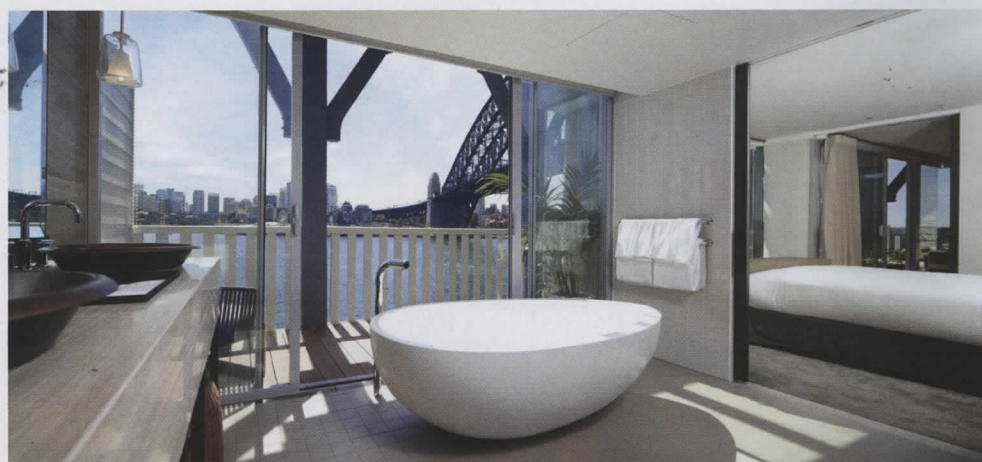
*Some of these hotels are iconic or historic places brought quietly, almost invisibly under the soft-brand mantle*

megamergers in the hotel world – as well as a year in which worldwide hospitality revenues are expected to have reached well over \$500bn, according to a MarketLine industry profile, and were on track to achieve the 36 per cent growth projected for 2015-2020.

At this point, some *How To Spend It* readers are likely musing, “What does any of this have to do with me?” You know who you are: the reader who eschews the very notion of megabrands when it comes to travel; who, as a rule, favours the unique and characterful in a hotel, memorable quirks and idiosyncrasies of design or management, soulful service. The reader who loves hotels that are definitive – perhaps even a landmark – of the place they’re in. The reader who is almost certainly part of the price-insensitive premium market that every hotel, whether family-owned or feature property of a massive portfolio, aspires to call its own.

Travel is more inextricably linked than ever with lifestyle, most notably up in the rare air of that premium market. The world’s truly excellent hotels have always been bricks-and-mortar manifestations of some intangible but very real gestalt; choosing such a hotel is a statement, an (often aspirational) allying of oneself with a specific set of qualities: refinement, worldliness, discretion, perhaps modernity, maybe even eccentricity.

But above all it seems hotels, for anyone who cares even perfunctorily about them, have become statements of individuality. As the big hospitality companies continue to merge and acquire, it’s revealing how steadily the independent, original one-offs of the hotel world gain currency. The luxury travel media’s spotlight may invariably alight here or there on the newest Ritz-Carlton resort or Bulgari hotel (both in the Marriott stable), or a sleek new St Regis (now part of Marriott too, via Starwood) or Raffles (now AccorHotels). But it seems more taken with the stories of the singular hotels and resorts that as often as not celebrate the status-conferring power of having no brand at all. Places such as Uxua in Trancoso, Brazil, or Il Pellicano on Tuscany’s Monte Argentario peninsula. Or Nihiwatu, the ultra-exclusive surf resort on the Indonesian island of Sumba. It was a



telling paradigm shift when the readers of *Hotels* magazine, one of the industry’s most highly regarded (and highly orthodox) bibles, handed its 2016 Independent Hotelier of the World recognition to James McBride, managing partner of Nihiwatu, which was also awarded first place in The 100 Best Hotels in the World by *Travel + Leisure*.

None of this has been lost on the top brass at the megaconglomerates. Quite the opposite: in the past few years, most of the major multinational, multibrand hospitality concerns have launched “soft” brands – collections of ostensibly independent hotels that fly no flag whatsoever. Marriott led the way with its debut of Autograph Collection in 2010; it was followed by Curio by Hilton in 2014, then Starwood’s Tribute Portfolio, which launched in mid-2015, and most recently The Unbound Collection, part of the Hyatt Hotels group, which came online last March. The primary selling point of these hotels is the fact that you’d be hard pressed to find an actual parent brand name, let alone that of the behemoth company behind it, anywhere on site. Almost all are comprised of four- and five-star hotels and resorts; some of those are iconic or historic places brought quietly and almost invisibly under the soft-brand mantle; others are local micro-chains of two or three properties; still others are entirely new to the market. They might glorify heritage or be firmly design-driven, they might tout big-name chefs or seclude speakeasy-style bars on their upper floors. No one of them is like any other in the brand, which is not just the point, but also the business model.

Julius Robinson, a vice president and global brand manager at Marriott, is in the interesting position,

post-merger, of overseeing both Autograph Collection and Starwood’s much newer and smaller Tribute Portfolio. Autograph, which had a head start on the other soft brands of a good three years, now totals more than 100 hotels in 26 countries. It’s easy for a self-styled taste arbiter (which is, if we are honest, a lot of us in our own minds) to be cynical about what such brands could offer in the way of real originality or style – but there are some genuinely special properties in the collection. Among them are Pier One Sydney Harbour (fitted into a refurbished warehouse on the water at Dawes Point, almost directly underneath Harbour Bridge, it is sleek and fun and has, with all due respect to the lovely Park Hyatt Sydney, what might be the best room in town in the form of its Admiral suite – pictured above); Mauna Kea Beach Hotel, on the Big Island in Hawaii (one of Laurance Rockefeller’s original RockResorts, the Skidmore, Owings & Merrill-designed hotel opened in 1965 and houses what is still one of the major American collections of Oceanic art); and the Cotton House (pictured on previous pages), just off the Passeig de Gràcia in Barcelona (in which the ornate bones of a 19th-century neoclassical building, originally built as the HQ for the national Cotton Textile Foundation, have been reverently preserved, down to the last panel of intricate hardwood parquet).

“We regularly have Autograph guests tell staff at checkout that they had no idea until that moment that their hotel was part of Marriott,” Robinson says. “Our research shows us that around 40 per cent of Autograph guests indicate they would not stay in a ‘branded’ hotel;





The Driskill in Austin - one of Texas's oldest hotels - is part of Hyatt's Unbound Collection

it's just not what they want." Autograph is on track to grow by 15 to 20 per cent – essentially, to sign up or build at least 15 hotels annually – through to 2019, and Tribute has a similarly robust growth plan, with recent openings in Bariloche and Mendoza in Argentina, Shanghai, and Ubud on Bali, among others. That's significant expansion, at a moment when industry experts augur a mild cyclical downturn in overall growth. "When you think about these soft brands that very much play in this lifestyle space, they're for a customer who wants to be taken to a different place, literally and figuratively; they want a different mindset," says Robinson. "Travel is a huge part of who they are. This is aspirational. It's the opposite of the efficiency thing that the hard brands are about."

*"These hotels are for customers who want to be taken to a different place, literally and figuratively"*

Nihiwatu's McBride has a unique perspective on this phenomenon: he spent the first 14 years of his career with Ritz-Carlton, another six as managing director of The Carlyle in New York, and was president of the Asia-based YTL Hotels group, before going off – very off – the corporate path to redevelop Nihiwatu with owner Christopher Burch from what was a clutch of off-the-radar sandy huts into a world-class wilderness idyll. "These soft brands were inevitable," he says. "They're the big companies figuring out how to compete in that high-end lifestyle world, where it's all about emotion and soul and adventure. Unlike a lot of their conventional, branded properties, these hotels – these businesses – actually have a point of view, which is great. Because what every sophisticated guest wants now is to have a unique experience when they stay with you, whether that experience is a wave in Sumba or some amazing Italian craftsmanship in Umbria. And from a hotel owner's standpoint, a soft brand is ideal" – especially, he notes, an owner unfamiliar

with or new to the acutely capital-intensive hotel industry. "This is an incredibly tough business to go it alone in. I am 24-7 at it; you can't ever stop. If your property is part of one of these soft brands, you may not be as truly original as Nihiwatu; but what you can do is continue to be individual and creative with concept, execution, design, restaurants, knowing there's this Goliath behind you providing a global pipeline of sales and marketing channels."

Robinson shares this perspective from the other side of the business: "We spend a tremendous amount of time with our owners, going through the elements of what makes their hotel identity. If we were to consistently message 'Marriott', we wouldn't get the owners we want. Very often they're

locals, whose passion for the destination – their home – drives their business model," he says. "Sometimes they're spending dollars their economic brain is telling them not to, but their heart is saying, 'Go for it.'" And when the end result is something that patently won't be to all, or even most, tastes – as in the case of the sleek Domes Noruz Chania, on Crete, signed last summer and the first hotel in the Autograph Portfolio that doesn't welcome under-16s – that's a good thing. "The vibe there at Domes Noruz is not family friendly; that's fine. The owner's a bit nervous, we're nervous; but not every hotel should be for everyone. You have to have bold positioning."

Boldness is in the breadth of choice as well. Hyatt's Unbound Collection, the newest of the soft brands, had just six properties at the time of going to press. But it's a calculated curation that includes The Driskill (pictured above), in Austin, which is listed on the National Register of Historic Places, and is a bona fide grande dame – one of Texas' oldest hotels,

which, by dint of the city's annual South by Southwest (SXSW) media conference, has earned extensive cool credentials among a coterie of international music/film executives and stars.

Last November, Tribute Portfolio took on the 41-room Hôtel Vagabond (pictured on previous page) in Singapore, the only luxury hotel in the city's multiculti Kampong Glam neighbourhood. A Jacques Garcia-designed project featuring an extravagant bar-restaurant and a serious artists-in-residence programme, it was opened independently in late 2015 by local property developer Satinder Garcha, who has plans for another luxury hotel in Singapore this year (the Jacques Garcia and Anouska Hempel-designed Duxton Club, which will be part of Starwood's Luxury Collection). Harpreet Bedi, Garcha's wife and business partner, is also the Vagabond's general manager. "Tribute gets our individuality, and we're not going to change or compromise on that; and they get the sort of guests we want at the Vagabond. But meanwhile, we now enjoy the benefits of tapping technology, infrastructure and a global sales force. It was a powerful win-win in our eyes." Will her clientele buy the soft Marriott sell? Does she? She cites a huge uptick in bookings in the three weeks since the quiet Tribute rebranding, and the fact that not a thing has changed in her hotel. It seems the returns on commodifying the ineffable are promising indeed. ♦

#### SINGULAR MINDED

**Autograph Collection**, [autograph-hotels.marriott.com](http://autograph-hotels.marriott.com). **Cotton House Hotel**, [www.hotelcottonhouse.com](http://www.hotelcottonhouse.com), from €200. **Curio by Hilton**, [curiocollection3.hilton.com](http://curiocollection3.hilton.com). **Domes Noruz Chania**, [www.domesnoruz.com](http://www.domesnoruz.com), from €142. **The Driskill**, [www.driskillhotel.com](http://www.driskillhotel.com), from \$234. **Hôtel Vagabond**, [www.hotelvagabondsingapore.com](http://www.hotelvagabondsingapore.com), from S\$260 (about £145). **Mauna Kea Beach Hotel**, [www.marriott.com](http://www.marriott.com), from \$309. **Nihiwatu**, [www.nihiwatu.com](http://www.nihiwatu.com), from \$750. **Pier One Sydney Harbour**, [www.pieronesydneyharbour.com](http://www.pieronesydneyharbour.com), from A\$250 (about £150). **Tribute Portfolio Hotels**, [www.starwood.com/tributeportfolio](http://www.starwood.com/tributeportfolio). **The Unbound Collection**, [unboundcollection.hyatt.com](http://unboundcollection.hyatt.com).